

SUBCOMMITTEE NO. 1 on Education



Subcommittee No. 1

Chair, Denise Moreno Ducheny

Member, Bob Margett

Member, Gloria Romero

Outcomes

Wednesday, June 4, 2008

9:30 a.m.

Room 3191, State Capitol

Higher Education Agenda – Part C

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Program Description	Comments
6420-001-0001 California Postsecondary Education Commission	
<p>Governor's Budget – Budget Balancing Reductions for State Operations</p> <p>Governor's Budget proposes a \$200,000 or 9.2 percent reduction in CPEC operations compared to the amount budgeted for the current year.</p> <p>Provisional language proposed by the Administration would choose the following three CPEC statutory functions and grant those activities "priority" in light of the proposed budget reductions:</p> <ul style="list-style-type: none"> (1) Conducting all review and recommendations of need for new institutions of higher education; (2) Conducting all review and recommendation of the need for new academic programs within the public higher education segments; and (3) Serving as the designated state educational agency to carry out federal educational programs, as required in statute. <p>Staff notes that when queried about its position on setting these "priorities" CPEC expressed its intent to carry out <u>all</u> of its statutory requirements, regardless of the funding level appropriated. This response raised several fiscal and policy questions: If CPEC can accomplish all of its statutory requirements at <i>this</i> reduced level of funding, can they continue to accomplish those priorities when reduced 25 percent or 50 percent? Has the state been chronically "over-funding" CPEC? Further, if the Legislature and Governor value the above-noted <i>three</i> priorities, is the existence of an entire state agency justified to accomplish those three tasks.</p>	<p><u>Staff Recommendation:</u> Approved (3-0)</p> <p>(1) Reduce funding for CPEC beyond level proposed by Governor, for total reduction of 25 percent or \$557,000.</p> <p>(2) Adopt provisional language stating intent of Legislature to "phase-out" CPEC's General Fund operations by June 30, 2011.</p> <p>(3) Eliminate proposed Budget Bill language outlining CPEC priorities. Determination of CPEC's functions is more appropriately a discussion for the policy committee process.</p>

6440 University of California

Program Description	Comments
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6440-001-0001 University of California

<p>May Revision Issue (360) – Partially Restore Unallocated Reduction</p> <p>(1) May Revision proposes to partially restore the unallocated reduction proposed by the Administration in January by \$98.6 million. This level of funding is designed to hold General Fund support for UC at the amount provided in the current year.</p> <p>(2) LAO recommends that the Legislature deny the May Revision and instead provide the UC with a lesser augmentation to cover nondiscretionary cost increases -- \$17.9 million versus the Administration's proposed \$98.6 million.</p> <p>(3) The Administration deletes all pro-forma monetary "set-asides" previously contained in the provisional language of the UC's budget item.</p>	<p><u>Staff Recommendation:</u></p> <p>Approved (2-1); Please note, Reduction to Subject Matter Projects of \$2.1 million to conform to K-12 Title II issue. Funding of a like amount to be provided with one-time federal Title II dollars.</p> <p>(1) Approve May Revision Letter;</p> <p>(2) Adopt revised Budget Bill Language outlining Legislative Priorities, per attached.</p>
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Program Description	Comments
<p>Governor's Budget – Budget Balancing Reductions</p> <p>The Governor's Budget proposes a \$1.1 million reduction from the workload budget Hastings College of Law would have received had the provisions of the Compact with Higher Education been in effect.</p> <p>Year-to-year, this reduction equates to a loss of \$516,000 or approximately 5 percent.</p> <p>While the Compact does not explicitly apply to Hastings, the Administration and the Legislature have traditionally afforded the same funding provisions applied to UC and CSU to Hastings College of the Law.</p> <p>Given the unique challenges of the being a small, single-subject, stand-alone college, staff notes that the Compact provisions have not always suited the unique needs of Hastings. As an example, Hastings has never benefited from the enrollment growth provisions of the Compact nor is it afforded the economies of scale necessities to help it withstand tight budget years.</p>	<p><u>Staff Recommendation:</u></p> <p>Approved (2-1); Note, DOF to shift \$200,000 from CSU main support item to 6610-002-0001 to bring funding to current year levels for Center for California Studies.</p> <p>(1) Deny Governor's Proposal and augment by \$516,000 to hold funding at current-year levels and partially backfill "unallocated" reduction.</p> <p>Page 3</p>

6610 California State University

Program Description	Comments
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6610-001-0001 California State University

<p>May Revision Issue (361) – Partially Restore Unallocated Reduction</p> <p>May Revision proposes to partially restore the unallocated reduction proposed by the Administration in January by \$97.6 million. This level of funding is designed to hold General Fund support for CSU at the amount provided in the current year.</p> <p>LAO recommends that the Legislature deny the May Revision and instead provide the CSU with a lesser augmentation to cover nondiscretionary cost increases -- \$19.6 million versus the Administration's proposed \$97.6 million.</p> <p>The Administration deletes all pro-forma monetary "set-asides" previously contained in the provisional language of the CSU's budget item.</p>	<p>(1) Approved May Revision Letter;</p> <p>(2) Adopted revised Budget Bill Language outlining Legislative Priorities, per attached.</p> <p>Note, DOF will shift \$200,000 of funding attributed to the Center for California Studies to Item 6610-002-0001 from CSU's main support item.</p>
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6870 California Community Colleges

Program Description	Comments
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CONSENT

6870-101-0001 California Community Colleges

6870-111-0001

6870-601-0992

1. May Revision – Increase Foster Care Education Funding (Issue 704) 2. May Revision – Adjust Local Student Fee Revenue (Issue 709) 3. May Revision – Increase Board Financial Aid Program Adjustments (Issue 710) 4. May Revision – Increase Oil and Mineral Revenues (Issue 712) 5. Spring Revision - Adjust in Federal Funds for Vocational Education (Per DOF) 6. Telecommunications and Technology Programs – Revised Provisional Language 7. May Revision –Reimbursements for New CDCR Training Program (Issue 713) 8. May Revision – Increase Staff for New CDCR Training Program (Issue 714)	<u>Staff Recommendation:</u> 1. Approved May Revision (2-1) 2. Approved May Revision (2-1) 3. Approved May Revision (2-1) 4. Approved May Revision (2-1) 5. Approved Technical Adjust (2-1) 6. Approved language, per attached (2-1) 7. Approved May Revision (2-1) 8. Approved May Revision (2-1)
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6870 California Community Colleges

Program Description	Comments
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6870-001-0001 California Community Colleges

<p>Community College Chancellor's Office - State Operations</p> <p>Governor's Budget proposed \$1 million reduction in state operations at the California Community Colleges Chancellor's Office (11 percent reduction). Since 2001-02, this office has been reduced by 33 percent and approximately 90 positions, but yet still holds the same if not greater responsibilities for administering statewide community college programs. The Legislative Analyst has expressed concern that the Chancellor's office budget proposed by the Governor would leave the office with insufficient resources to perform its responsibilities and recommends a lesser \$200,000 reduction.</p>	<p><u>Staff Recommendation:</u></p> <p>Approved (2-1)</p> <p>Adopt LAO recommendation and restore \$800,000 and associated positions. (Conforms to Assembly Action.)</p>
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6870 California Community Colleges

Program Description	Comments
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6870-111-0001 California Community Colleges: Statutory Appropriation

<p>New Issue – <i>Placeholder</i> Trailer Bill Appropriation for Career Technical Education: Green Technology</p> <p>Direct funds available under various energy-related research programs for Career Technical Education opportunities in environmental technologies. Specifically focus dollars on building partnerships among high schools and California's clean technology businesses in order to provide a skilled workforce for such industries as: energy and water conservation; renewable energy; pollution reduction; and other technologies that improve California's environment, in furtherance of state environmental laws.</p>	<p><u>Staff Recommendation:</u></p> <p>Approved (2-1)</p> <p>(1) Appropriate \$12.5 million from the Public Interest Research, Development Demonstration Fund (Fund 0381);</p> <p>(2) Appropriate \$12.5 million from the Alternative and Renewable Fuel and Vehicle Technology Fund (Fund 3117);</p> <p>(3) Adopt Placeholder Trailer Bill Language designating that funds be used for: (a) community college's Career Technical Education initiative, directing the funds to California Partnership Academies; (b) state operations at both the CCC's and CDE; and (c) appropriate professional development activities.</p>
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6870 California Community Colleges

Program Description	Comments
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6870-101-0001 California Community Colleges: Local Assistance

<p>1. Governor's Budget - 10 percent Across-the-Board Reductions to Community College programs.</p> <p>Governor's Budget reduces all community college categorical programs by approximately 10.9 percent (from the amount provided in the current year), pursuant to the Administration's Budget Balancing Reductions.</p>	<p><u>Staff Recommendation:</u> Approved (2-1)</p> <p>Deny Governor's Budget Balancing Reductions, <i>per Proposition 98 package.</i></p>
<p>2. Governor's Budget - COLA</p> <p>Governor's Budget fails to provide Cost-of-Living Adjustments for either Apportionments or select Categorical Programs.</p>	<p><u>Staff Recommendation:</u> Approved (2-1)</p> <p>Deny Governor's proposal, adopt partial COLA, <i>per Proposition 98 package.</i></p>
<p>3. May Revision – Enrollment Growth (Issue 715)</p> <p>May Revision provides an additional \$35.4 million (for a total of \$95.6 million) to fund 1.67 percent enrollment growth at the Community Colleges. The LAO recommends augmenting by \$2.2 million to provide growth equivalent to 1.7 percent. The community colleges estimate 2008-09 enrollment growth to be approximately 3 percent.</p>	<p><u>Staff Recommendation:</u> Approved (2-1)</p> <p>Approve May Revision and augment by \$18 million to provide funding for 2 percent growth, <i>per Proposition. 98 package.</i></p>

6870 California Community Colleges

Program Description	Comments
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6870-602-0001 California Community Colleges

6870-488

6870-492

<p>May Revision (Issues 705) – Partially Reimburse Colleges for Current-Year Property Tax Shortfall.</p> <p>May Revision reappropriates \$68.9 million in unspent funds from (1) prior year community college enrollment growth and (2) the After School Education and Safety Program (Proposition 49) to backfill the loss of property tax revenues to the community colleges in the current year. In addition, student fee revenues in excess of the amount budgeted in the current year (approximately \$5.9 million) will continue to be held by districts, bringing the total "backfill" amount to \$74.8 million.</p> <p>Community Colleges estimate that the loss of revenues from the budgeted amount will exceed \$90 million by the end of the fiscal year.</p>	<p><u>Staff Recommendation:</u></p> <p>Approved May Revision (3-0); Note, final property tax numbers subject to change during budget conference committee.</p>
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6870 California Community Colleges

Program Description	Comments
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6870-101-0001 California Community Colleges

May Revision - Reduce Local Property Tax Revenues (Issue 711) May Revision assumes a decrease of \$138.7 million in property tax revenue for the community colleges as a result of changing statewide circumstances.	<u>Staff Recommendation:</u> Approved May Revision (3-0). Note, final property tax numbers subject to change during budget conference committee.
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7980 Student Aid Commission

Program Description	Comments
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7980-101-0001 California Student Aid Commission

<p>April Letter - California Student Aid Commission, Cal-SOAP (Issue 046)</p> <p>Governor's April proposal shifts \$5.7 million of the California Student Opportunity and Access Program (Cal-SOAP) funding currently being provided by the General Fund to federal funds (derived from a new federal grant); augments that amount by \$1.6 million (using federal funds); and earmarks \$1.0 million of the new funds for outreach associated with Career Technical Education.</p> <p>Student Aid has expressed concerns with Cal-SOAP taking task of administering a new outreach program, and has instead expressed its preference that the Cash for College program be charged with these new activities.</p>	<p><u>Staff Recommendation:</u> Approved April Letter with the following Legislative Changes (Vote 2-1):</p> <p>(1) Allocate \$500,000 of the augmented funds to Cal-SOAP, consistent with its current statutory functions;</p> <p>(2) Allocate \$500,000 or the augmented funds to the Cash for College program (clarification: for existing statutory purposes).</p>
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7980 Student Aid Commission

Program Description	Comments
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7980-101-0001 California Student Aid Commission

<p>May Revision – Extension of EdFUND Sale Authority</p> <p>The Administration proposes to extend the provisions of current law, which authorize the sale of EdFUND, from January 10, 2009 to January 10, 2011.</p>	<p><u>Staff Recommendation:</u></p> <p>Approved May Revision (3-0).</p>
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University of California

Item 6440-001-0001

Add Provision X: Of the amount appropriated in Schedule (1), \$15 million shall be redirected from funds budgeted for compensation of administrators of the University of California, including administrators at the campuses and in the Office of the President, to support salary increases and a step pay system for low wage service employees.

Amend Provision 10. ~~The Legislature expects the University of California to enroll a minimum of 198,455 state-supported FTES during the 2008-09 academic year, reflecting the budgeted state-supported FTES enrollment in 2007-08. This enrollment target does not include nonresident students and students enrolled in non-state-supported summer programs. The University of California shall report to the Legislature by March 15, 2009, on whether it has met the *its* 2008-09 enrollment goal. For purposes of this provision, enrollment totals shall only included state-supported students. If the University of California does not meet its state-supported enrollment goal by at least 250 FTES, the Director of Finance shall revert to the General Fund by April 1, 2009, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.~~

Amend Provision 11. *Of the funds appropriated in Schedule (1), \$1,050,000 is to support 70 full-time equivalent students in the Program in Medical Education (PRIME) at the Irvine, Davis, San Diego, and San Francisco campuses. The primary purpose of this program is to train physicians specifically to serve in underrepresented communities.* The University of California shall report to the Legislature by March 15, 2009, on its progress in implementing the PRIME program and the use of the total funds provided for this program from both state and non-state resources.

Amend Provision 8. *Of the funds appropriated in Schedule (1), \$1,897,200 is for the California State Summer School for Math and Science (COSMOS).* The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.

Provision X. Of the funds appropriated in Schedule (1), \$693,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

Provision X. Of the funds appropriated in Schedule (1), \$427,500 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.

Provision X. Of the funds appropriated in Schedule (1), \$346,500 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.

Provision X. Of the funds appropriated in Schedule (1), \$16,200,000 is for substance abuse research at the Department of Neurology at the University of California, San Francisco.

Provision X. Of the funds appropriated in Schedule (1), \$693,000 shall be used for lupus research at the University of California, San Francisco.

Provision X. Of the funds appropriated in Schedule (1), \$1,385,100 shall be used to expand spinal cord injury research.

Provision X. Of the funds appropriated in Schedule (1), \$3,463,000 is to fund the Medical Investigation of Neurodevelopment Disorders (MIND) Institute, including \$3,150,000 for a research grants program.

Provision X. Of the funds appropriated in Schedule (1), \$5,400,000 is to support research on labor and employment and labor education throughout the University of California system. Of these funds, 60 percent shall be for labor research and 40 percent shall be for labor education.

Amend Provision 14. Of the funds appropriated in Schedule (1), \$19,300,000 is for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for student academic preparation and education programs (SAPEP) by September 1 of each year. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the university in April 2005. The report shall be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2009.

Amend Provision 15. The amount appropriated in Schedule (1), reflects a ~~10-percent~~ reduction of \$32,300,000 to institutional support.

Add Provision X. It is the intent of the Legislature to treat the university's 2008-09 actual student enrollment and compensation costs as fully funded, with any budget augmentations in 2009-10 to apply to new workload costs only.

California State University

Item 6610-001-0001

Add Provision X. Of the amount appropriated in this item, \$33,785,000 is provided for student financial aid grants. These financial aid funds shall be provided to needy students according to the nationally accepted needs analysis methodology.

Add Provision X. Of the amount appropriated in Schedule (1), \$52,000,000 is appropriated for student academic preparation and student support services programs. The university shall provide \$45,000,000 to support the Early Academic Assessment Program and the Educational Opportunity Program. It is the intent of the Legislature that the university report on the outcomes and effectiveness of the Early Academic Assessment Program to the fiscal committees of each house of the Legislature no later than March 15, 2009.

~~Amend Provision 6. The Legislature expects the California State University to enroll a minimum of 342,893 state supported FTES during the 2008-09 academic year, equal to the budgeted state supported FTES enrollment for 2007-08. This enrollment target does not include nonresident students and students enrolled in non-state supported summer programs. The CSU shall provide a preliminary report to the Legislature by March 15, 2009, and a final report by May 1, 2009, on whether it has met the *its* 2008-09 enrollment goals. For purposes of this provision, enrollment totals shall only include state-supported students. If CSU does not meet its state-supported enrollment goal by at least 434 FTES, the Director of Finance shall revert to the General Fund by May 15, 2009, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.~~

Amend Provision 8. The amount appropriated in Schedule (1) reflects a ~~10 percent~~ reduction of \$43,199,000 to institutional support.

Add Provision X. It is the intent of the Legislature to treat the university's 2008-09 actual student enrollment and compensation costs as fully funded, with any budget augmentations in 2009-10 to apply to new workload costs only.

California Community Colleges
(Item 6870-101-0001)

CCC TTIP Budget Bill Language

22. (a) ~~\$21,560,000~~ 9,222,000 of the funds provided in Schedule (15) for the Telecommunications and Technology Services Program shall be for the purpose of supporting technical and application innovations and for coordination of activities that serve to maximize the utility of the technology investments of the community college system towards improving learning outcomes. Allocations shall be made by the Chancellor of the California Community Colleges, based on criteria and guidelines as developed by the chancellor, on a competitive basis through the RFA/RFP application process for the following purposes as follows:

(1) Provision of access to statewide multimedia hosting and delivery services for system colleges and districts. ~~\$2,000,000, or as much as necessary, shall be available for a statewide digital uplink for the purpose of delivering statewide satellite services to system colleges and districts related to instruction, student support, and administration.~~

(2) ~~\$2,049,000 is for the development and implementation of a~~ Provision of systemwide internet, audio bridging and telephony capability of the 4C Net backbone to facilitate collaboration of faculty, students, and staff in instruction, student services, and shared governance activities.

(3) Technical assistance and planning, cooperative purchase agreements and faculty and staff development in a manner consistent with Provision 17 (b)(3) of Item 6870-101-001 of Section 2.00 of the Budget Act of 1996 (Ch.162,Stats. 1996). ~~The balance of funds shall be available for centers to provide regional coordination for technical assistance and planning, cooperative purchase agreements, and faculty and staff development. All other provisions as specified in Provision 17(b)(3) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) shall apply.~~ (4) Ongoing support for the California Virtual University distance Education program.

(5) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K-20 segments in California.

(6) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system towards improving learning outcomes.

(b) ~~\$11,138,000 of~~ In addition, a portion of the funds provided in Schedule (15) shall be used for the purpose of ~~available for~~ making allocations from the Chancellor of the California Community Colleges for the allocations to districts. ~~It is the intent of the Legislature that these funds to~~ be used by colleges to maintain the technology capabilities specified in Provision 21(a) of Item 6870-101-0001 of the Budget Act of

2003 (Ch. 157, Stats. 2003). These funds shall not supplant existing funds used for those purposes, and colleges shall match maintenance and ongoing costs with other funds as provided by Provision 21(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats.2003).

(c) The Office of the Chancellor shall develop the reporting criteria for all programs funded by this item and submit that for review along with an annual progress report on program implementation to the Legislative Analyst, Office of the Secretary for Education, and the Department of Finance no later than December 1 of each year. Reporting shall include summaries of allocations and expenditures by program and by District, where applicable.

~~— (c) — Of the funds provided in Schedule (15), \$1,200,000 shall be available for grants to districts to fund California Virtual University distance education centers, for instructing faculty in teaching courses online, and other expenses for conversion of courses for distance education. The funds appropriated in this item shall not supplant existing funds and shall be subject to established fiscal controls, annual reporting, and accountability requirements specified by the chancellor. The chancellor shall develop criteria for the allocation of these funds. As a condition of receipt of the funds, colleges are required to submit to the Office of the Chancellor reports in a format specified by the chancellor sufficient to document the value and productivity of this program, including, but not limited to, numbers and nature of courses converted, and the amount of distance education instructional workload services provided as a result of these courses. It is intended that the Office of the Chancellor further develop the reporting criteria for participating colleges and submit that for review along with an annual progress report on program implementation to the Legislative Analyst, Office of the Secretary for Education, and the Department of Finance no later than November 1 of each year, for review and comment.~~

(d) Of the funds provided in Schedule (15), \$1,783,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success Program (Cal-PASS). As a condition of receipt of these funds, the grantee Cal-PASS Program shall submit to the Office of the Chancellor, by October 15 of each year; 1) a report in a format specified by the chancellor that sufficiently documents the value and productivity of the program. The report shall that includes, the numbers and percentages of institutions and school districts that have signed agreements and the number and percentage that have actively submitted data in the current year; 2) the results of an annual program evaluation, as prescribed by the Chancellor, that sufficiently documents the value and productivity of the program; and 3) an annual financial audit, as prescribed by the Chancellor, that includes an accounting of all funding sources and all uses of funds by funding source. It is the intent of the Legislature that all reporting requirements contained in this paragraph shall be completed using funds provided to the grantee.

~~but not be limited to, the numbers percentages of institutions and school districts that have signed agreements with Cal PASS, the number and percentage that have actively submitted data to Cal PASS in the current year, and the results of an annual financial audit as prescribed by the chancellor that includes an accounting of all funding sources of Cal PASS and all uses of funds by funding source.~~

~~(e) The chancellor shall submit an annual report detailing the scope of program activities undertaken by the Telecommunications and Technology Services Program to the Legislative Analyst, the Office of the Secretary for Education, and the Department of Finance not later than December 1 of each year. This report shall include a disclosure of expenditures by program and by district. As a condition of receiving Telecommunications and Technology funds, districts shall furnish any data required by the chancellor for the compilation of this report.~~